

## Message Text

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PAGE 01 BRUSSE 14534 261657Z  
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05  
SS-15 STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02  
OMB-01 DOE-15 STRE-00 /136 W  
-----067095 271843Z /45

R 261650Z JUL 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 8070  
INFO ALL EC CAPITALS  
USMISSION GENEVA

UNCLAS BRUSSELS 14534

USEEC

PASS AGRICULTURE, STR AND TREASURY (FOR ERENHAFT)  
ELECTRONICALLY  
PARIS ALSO FOR USOECD  
GENEVA ALSO FOR USMTN

E.O. 11652: N/A  
TAGS: EAGR, EEC  
SUBJ: EC COMMISSION PUBLICLY REGRETS US COUNTERVAILING  
DUTIES ON EC SUGAR IMPORTS

REF: (A) BRUSSELS 13973; (B) BRUSSELS 14246  
1. AT THE EC COMMISSION'S JULY 26 PRESS BRIEFING, A  
SPOKESMAN FOR EC AGRICULTURE COMMISSIONER GUNDELACH READ  
A PREPARED STATEMENT CONCERNING THE DECISION BY THE U.S.  
GOVERNMENT TO COUNTERVAIL AGAINST U.S. IMPORTS OF EC  
SUGAR. THE STATEMENT CALLED THE CVD UNJUSTIFIED FOR  
SEVERAL REASONS. EC SUGAR EXPORTS TO THE U.S. ARE ONLY  
A NEGLIGIBLE PART OF THAT MARKET. THEY DO NOT CAUSE  
MATERIAL INJURY TO AMERICAN PRODUCERS. U.S. SUGAR IMPORT  
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REQUIREMENTS TOTAL ABOUT FOUR MILLION TONS, WHEREAS EC  
EXPORTS TO THE U.S. IN RECENT YEARS HAVE BEEN SUBSTAN-  
TIALY LESS THAN 100,000 AND, IN MOST OF THESE YEARS,  
EVEN LESS THAN 10,000 TONS. PRICES FOR SUGAR OFFERED  
TO THE U.S. MARKET HAVE NOT BEEN LESS THAN THE WORLD  
PRICE, AND EC SUGAR EXPORT SUBSIDIES THAT HAVE BEEN  
GRANTED WERE IN NO CASE HIGHER THAN THE DIFFERENCE

BETWEEN COMMUNITY PRICES AND THOSE ON THE WORLD MARKET.

2. ON JULY 25, MEYNELL, DG I (EXTERNAL RELATIONS), OFFICER IN CHARGE OF NORTH AMERICAN RELATIONS, ASKED DCM IF U.S. HAS TAKEN INTO ACCOUNT ARTICLE 57 OF THE INTERNATIONAL SUGAR AGREEMENT (ISA) IN ITS DELIBERATIONS CONCERNING A CVD ON SUGAR. THE SAME POINT WAS RAISED ON ANOTHER OCCASION BY AN OFFICIAL IN DG VI (AGRICULTURE) RESPONSIBLE FOR SUGAR. IN BOTH CASES, USEC OFFICERS REPLIED THAT, ALTHOUGH THE U.S. HAS SIGNED THE ISA, IT IS NOT YET A MEMBER BECAUSE THE U.S. SENATE HAS NOT YET RATIFIED THE AGREEMENT. THEREFORE, USE OF ARTICLE 57 AT THIS TIME FOR THIS PROBLEM WAS IMPOSSIBLE. MOREOVER, MISSION OFFICERS SAID IT WAS ALMOST CERTAIN THAT WE WOULD HAVE SERIOUS PROBLEMS WITH USE OF ARTICLE 57 IN FUTURE TO DEAL WITH SUBSIDIZED EXPORTS SINCE CVD LAW WOULD REQUIRE RECOURSE TO COUNTERVAIL AS NECESSARY PROCEDURE. NEITHER OF THE EC COMMISSION OFFICIALS CONTESTED OUR COMMENTS. HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, IMPORTS, COMMISSIONS, COUNTERVAILING DUTIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRUSSE14534  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780308-0855  
**Format:** TEL  
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**Message ID:** 2445d76b-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 BRUSSELS 13973, 78 BRUSSELS 14246  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1872559  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC COMMISSION PUBLICLY REGRETS US COUNTERVAILING DUTIES ON EC SUGAR IMPORTS  
**TAGS:** EAGR, EEC  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/2445d76b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
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